

MANIT  BA

**ANNUAL
REPORT**

1983

**The Elections
Commission**

84- 3211 /

**THE THIRD ANNUAL REPORT
OF
THE ELECTIONS COMMISSION**

**Administering
The Elections Finances Act
For the Period
1 January 1983 to 31 December 1983**

**Presented to the Legislature
Pursuant to Section 10
of The Elections Finances Act.**

THE ELECTIONS COMMISSION

*

Walter L. RITCHIE, Q.C.
Chairman

*

Emily C. Lyons
Marva-J. Smith
James P. Stewart
Richard T. Willis
Members

*

Richard D. Balasko
Secretary



March 1984

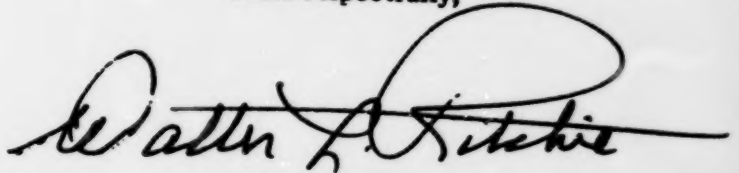
The Honourable D. James Walding
Speaker of the Legislative Assembly
Room 244
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Speaker:

I have the honour to submit the Third Annual Report of The Elections Commission covering the period 1 January 1983 to 31 December 1983.

This report is submitted pursuant to Section 10 of The Elections Finances Act.

Yours respectfully,

A handwritten signature in dark ink, appearing to read "Walter L. Ritchie". The signature is fluid and cursive, with a large loop at the end.

Walter L. Ritchie, Q.C.
Chairman

TABLE OF CONTENTS

	Page
Letter of Transmittal	i
List of Tables	iii
 CHAPTER	
I Introduction	1
II Composition of the Elections Commission	1
III Powers and Duties of the Commission	3
IV Political Parties	4
1. Registrations	4
2. Chief Financial Officers	5
3. Annual Statements and Returns for Contributions	6
V Manitoba Tax Credit Program	8
VI Review of The Elections Finances Act	8
VII Legislation	9
VIII Public Information	10
IX Summary	11
X Appendix	14
A. Summary of Returns for Contributions to Political Parties	

LIST OF TABLES

	Page
1. Meetings of The Elections Commission	2
2. Registered Political Parties	4
3. Chief Financial Officers of Political Parties	5
4. Fiscal Year End of Political Parties	6
5. Contributions to Political Parties from a Single Source Equal to or Exceeding \$250.00	7
6. Total Value of Provincial Tax Credits Claimed for Contributions to Registered Political Parties and Registered Candidates	8

I INTRODUCTION

Prior to the 15 November 1980 proclamation of The Elections Finances Act (hereinafter referred to as "the Act"), issues of elections finances were addressed pursuant to the provisions of The Elections Act. In 1980, with the same day proclamation of a new Elections Act and The Elections Finances Act, financial aspects of the conduct of provincial elections and the annual operation of political parties became subject to separate legislation. Among the objectives of the new Elections Finances Act were the introduction of the tax credit system for contributions to registered political parties and candidates, provisions for financial disclosure and limitations on expenditures for the purpose of advertising during an election period. The Act also established The Elections Commission as the agency responsible for administration and enforcement of the Act.

The focus of Commission activities during the period covered by the Second Annual Report of The Elections Commission (1 January 1982 to 31 December 1982) consisted of the receipt and examination of candidates' statements and returns following the 1981 provincial general election together with the annual statements and returns required to be filed by political parties. During 1983, Commission activities have again included the receipt and examination of annual statements and returns of political parties as well as the completion of a comprehensive review of existing elections finances legislation, a project which was initiated in the latter half of 1982. A subsequent undertaking by the Commission during this period has been the study of an elections finances bill introduced in May 1983. The Commission has carefully followed the progress of Bill 48, The Elections Finances Act, through the Legislative Assembly.

II COMPOSITION OF THE ELECTIONS COMMISSION

The Elections Commission was established pursuant to subsection 3(1) of The Elections Finances Act. Subsection 3(2) of the Act sets out the

composition of the Commission as follows:

Subsection 3(2) "The Commission shall be composed of:

- (a) the Chief Electoral Officer;
- (b) a person appointed by The Lieutenant Governor in Council who shall be chairman of the commission; and
- (c) 2 persons, representing each registered political party that is represented by 4 or more members in the assembly, appointed by the member of the assembly recognized by the Speaker of the Assembly as the leader in the assembly of that registered political party."

Since the publication of The Second Annual Report, there has been one change in the membership of the Commission. Commission member John Walsh, appointed on 25 May 1982, resigned from the Commission effective 14 November 1983. The Commission recognizes the thoughtful contributions of Mr. Walsh throughout his tenure as a member. To date, perhaps in anticipation of the proclamation of Bill 48 which abolishes the Elections Commission, no replacement appointment has been made.

During the period covered by this report, the Commission has met a total of four times as follows:

TABLE 1

MEETINGS OF THE ELECTIONS COMMISSION

MEETING #

DATE

21
22
23
24

6 January 1983
3 February 1983
24 February 1983
14 June 1983

POWERS AND DUTIES OF THE COMMISSION

As the agency charged with the administration and enforcement of the Act, the powers and duties of the Commission are outlined in section 9 of The Act.

Section 9

"In addition to any other duties, functions, powers and authority imposed or given to the commission under this or any other Act of the Legislature, the commission

- (a) shall assist political parties and candidates and their chief financial officers in preparing statements and returns required under this Act and otherwise in complying with provisions of this Act;
- (b) shall examine all statements and returns filed with the commission;
- (c) may prescribe forms and the contents thereof for use under this Act and provide for their use;
- (d) may prepare, print and distribute forms for use under this Act; and
- (e) may prepare and distribute guidelines which it considers necessary for the guidance of candidates, chief financial officers and political parties and their officers and auditors."

In order to effect enforcement of the Act, section 52 provides the Commission the sole authority to institute proceedings to prosecute anyone for an offence under the Act. Section 168 of The Elections Act likewise identifies the Commission as the sole authority empowered to institute proceedings to prosecute anyone for an offence under that Act.

Finally, section 10 of The Elections Finances Act directs that the Commission prepare annually a report upon its affairs and activities and send a copy to the Speaker for tabling in the Assembly.

IV POLITICAL PARTIES

1. Registrations

A "political party" is defined in subsection 1(m) of the Act as an association, organization or affiliation of voters comprising a political organization whose prime purpose is the nomination and support of candidates at elections. Registration of a political party is provided for in section 14 of the Act. To 31 December 1983, 6 political parties are recorded with the Commission. The number of political parties which are registered with the Commission remains at 5, unchanged since 1982. The names of the registered political parties, their respective date of registration and assigned registration number follows:

TABLE 2 REGISTERED POLITICAL PARTIES

<u>REGISTERED POLITICAL PARTY</u>	<u>DATE OF REGISTRATION</u>	<u>REGISTRATION NUMBER</u>
The Manitoba New Democratic Party	17 November 1980	P-8001
The Progressive Conservative Party of Manitoba	25 November 1980	P-8002
The Liberal Party in Manitoba	12 December 1980	P-8003
The Manitoba Progressive Party	24 April 1981	P-8104
The Communist Party of Canada, Manitoba Committee	10 September 1981	P-8105

The Western Canada Concept (Manitoba) exists as a political party, but is not registered with the Commission. Once registered, a political party is able to issue receipts for income tax purposes for contributions received.

Again during 1983, the Commission responded to several enquiries respecting registration of a political party. Each group has been advised that as part of the application they are required to submit a petition for registration signed by not fewer than 2,500 persons who were eligible voters during the most recent provincial general election. Although several petitions are outstanding,

no applications for registration were received by the Commission during the period covered by this report.

2. Chief Financial Officers

Subsection 39(1) of the Act requires that the leader of each political party shall appoint a chief financial officer of the political party. The chief financial officer of a political party (or candidate) becomes the person responsible with respect to the affairs of the political party (or candidate) to ensure compliance with the Act. Particularly as responsibility for compliance rests with the chief financial officers, the Commission considers the working relationship it has developed with these people as crucial to the satisfactory implementation of the Act. While only 5 of the 6 political parties in Manitoba are currently registered, each political party must nevertheless be represented by a chief financial officer. A list of these chief financial officers together with their date of appointment and respective political party follows:

TABLE 3 CHIEF FINANCIAL OFFICERS OF POLITICAL PARTIES

POLITICAL PARTY	<u>CHIEF FINANCIAL OFFICER</u>	<u>DATE OF APPOINTMENT</u>
The Manitoba New Democratic Party	Lorna Leader	1 January 1982
The Progressive Conservative Party of Manitoba	John G. McFarlane	21 November 1980
The Liberal Party in Manitoba	Harvey Zimmerman	12 December 1980
The Manitoba Progressive Party	Murdock MacKay	22 December 1983
The Communist Party of Canada, Manitoba Committee	Constantine Kostaniuk	10 September 1981
The Western Canada Concept (Manitoba)	Fred Cameron*	29 November 1983

- * Mr. Cameron is the Acting President authorized to account for the funds of the Western Canada Concept (Manitoba). At this date the Western Canada Concept (Manitoba) is without a leader to appoint a chief financial officer.

3. Annual Statements and Returns for Contributions

Political parties, whether registered or not, are required by the Act to submit annually an audited statement and a return for contributions. These statements and returns are required to be filed with the Commission within three months after the end of the fiscal year of the respective political party. The fiscal year end of the several political parties are set out below:

TABLE 4 FISCAL YEAR END OF POLITICAL PARTIES

<u>POLITICAL PARTY</u>	<u>FISCAL YEAR END</u>
The Manitoba New Democratic Party	31 December 1982
The Progressive Conservative Party of Manitoba	31 August 1983
The Liberal Party in Manitoba	31 December 1982
The Manitoba Progressive Party	31 December 1982
The Communist Party of Canada, Manitoba Committee	31 December 1982
The Western Canada Concept (Manitoba)	31 December 1982

The Western Canada Concept (Manitoba) declared itself as a political party during 1982 and as such, the statement and return for contributions cover only that period from 1 April 1982 to 31 December 1982. Copies of the annual audited statement submitted by each political party are available for public inspection at the office of the Commission. Caution must be exercised when comparing the statements and returns of political parties because of their use of different year ends, different accounting methods and different procedures of handling income and expenses.

A summary of the return for contributions filed by each political party is included in this report as Appendix A. Again, it is important to note that not all political parties use the same fiscal year end. In compliance with section 35

of the Act, each chief financial officer also filed, as a part of the return for contributions, a list disclosing the names, addresses and amounts donated by each person or trade union whose aggregate contributions during the period covered equalled or exceeded \$250.00. A brief summary of these lists of contributors to political parties during the fiscal year covered in this report is provided below in Table 5. Copies of the complete lists submitted by the political parties are also available for public inspection at the office of the Commission.

TABLE 5 **CONTRIBUTIONS TO POLITICAL PARTIES FROM A SINGLE SOURCE EQUAL TO OR EXCEEDING \$250 DURING THE FISCAL YEAR.**

<u>Political Party</u>	<u>Aggregate Contributions Equal to or in Excess of \$250 (\$)</u>	<u>Number of Contributors</u>	<u>Average (\$)</u>
The Manitoba New Democratic Party	303,457.00	453	669.88
The Progressive Conservative Party of Manitoba	293,314.75	283	1,036.44
The Liberal Party in Manitoba	39,669.25	59	672.36
The Manitoba Progressive Party	3,245.05	6	540.84
The Communist Party of Canada, Manitoba Committee	4,850.00	11	440.90
The Western Canada Concept (Manitoba)	N/A	N/A	N/A
Total	644,536.05	812	793.76

V MANITOBA TAX CREDIT PROGRAM

Proclamation of The Elections Finances Act in 1980 was accompanied by changes to The Income Tax Act (Manitoba) which implemented the tax credit program for contributions to registered political parties and registered candidates. Table 6* indicates the total value of such tax credits as known to date.

TABLE 6 **TOTAL VALUE OF PROVINCIAL TAX CREDITS CLAIMED
FOR CONTRIBUTIONS TO REGISTERED POLITICAL
PARTIES AND REGISTERED CANDIDATES**

	<u>1980 Taxation Year (\$)</u>	<u>1981 Taxation Year (\$)</u>	<u>1982 Taxation Year (\$)</u>
Credits Claimed on Individual Returns	118,130.00	635,600.00	278,300.00
Credits Claimed on Corporation Returns	7,893.00	51,900.00	52,300.00

* Figures for taxation year 1981 have been revised taking into account late returns and re-assessments since the period covered by the last report. The current figures - particularly with respect to the 1982 taxation year - are subject to some further revision due to additional late returns and re-assessments.

The Commission acknowledges the assistance of the Manitoba Department of Finance for these figures.

VI REVIEW OF THE ELECTIONS FINANCES ACT

As reported in the Second Annual Report, in response to a memorandum dated 19 August 1982 from the Attorney-General, the Commission agreed to provide its comments concerning revision of The Elections Finances Act.

Following its own research, and having invited the comments of the chief financial officers of registered political parties and candidates in the 1981 provincial general election, the Commission transmitted a copy of its report to the Attorney-General for his consideration.

During 1983, staff and members of the Commission met on several occasions with representatives of the government and of legislative counsel in order to fully discuss the report and recommendations of the Commission.

VII LEGISLATION

Bill 48, The Elections Finances Act, was presented in The Legislative Assembly for first reading on 26 May 1983. The Bill was presented for second reading on 12 August 1983 and was subsequently referred to the Standing Committee on Privileges and Elections. Bill 48 received third reading and royal assent on 18 August 1983 and presently awaits proclamation.

Bill 48 retains several of the main features of the current Elections Finances Act, namely: the tax credit system for contributions to registered political parties and registered candidates; financial disclosure of the operations of political parties and candidates' campaigns; disclosure of contributions made to political parties and candidates and, limits on expenditures for the purpose of advertising during an election period. In addition, proclamation of Bill 48 would introduce several significant new provisions. Among the provisions of Bill 48 are the following:

- partial reimbursement of the election expenses of registered political parties and candidates receiving 10 % or more of the valid ballots cast;
- an overall limitation on all election expenses;
- a separate financial statement for an election to be filed by political parties in addition to the annual statements and returns;

- the Act would be administered and enforced by the Chief Electoral Officer;
- creation of an advisory committee comprised of one representative appointed by each registered political party;
- disclosure provisions with respect to contributions made to constituency associations and further disclosure with respect to contributions toward a candidate's campaign deficit; and
- fines for breaches of the Act are increased in the case of political parties to a maximum of \$20,000.00.

Two particular concerns raised by the Commission in the Second Annual Report are addressed in Bill 48. The Bill defines "year" as meaning a calendar year and thereby ensures a standard period to be covered in statements and returns filed by all political parties and others. Secondly, the time limit on prosecutions is expanded such that notwithstanding The Summary Convictions Act, a prosecution may be initiated under the Act at any time within 6 months of the Chief Electoral Officer becoming aware of the alleged offence; but not more than 2 years after the date of the occurrence of the alleged offence.

VIII PUBLIC INFORMATION

Annual statements and returns for contributions (including lists of contributions of equal to or more than \$250.00 during a fiscal year) filed by political parties and returns for advertising expenditures filed by political parties where there is an election are maintained at the office of the Elections Commission. Statements for the campaign period and returns for contributions and for advertising expenditures filed on behalf of candidates in the 17 November 1981 provincial general election are likewise maintained. In addition, several statutory records and registers identify provincial political parties and candidates, registered political parties and registered candidates and chief and deputy chief financial officers of political parties and candidates.

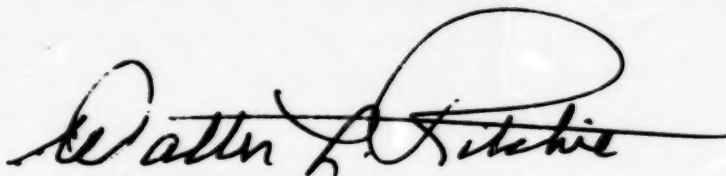
All statements and returns and all registers and records maintained by the Commission are public information and open to inspection. Copies of statements and returns or copies of any entry in a register kept by the Commission are also available. The office of the Elections Commission is located in ROOM 249 of the LEGISLATIVE BUILDING, WINNIPEG, MANITOBA, R3C 0V8 or telephone (204) 944-3225.

IX SUMMARY

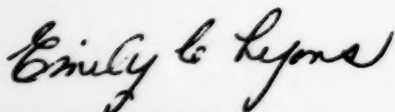
During the year ending 31 December 1983, the Commission has concentrated its efforts on the receipt and examination of annual statements and returns filed on behalf of political parties and completion of its review of the Act. The likelihood of proclamation of Bill 48 leaves a great deal to be done in 1984 in terms of the development of procedures and materials for administration and the preparation of guidelines to assist political parties, candidates and their chief financial officers and auditors to comply with the legislation.

The Commission wishes to recognize the sincere efforts of all chief financial officers and other representatives of political parties and candidates who, through their actions and co-operative manner have demonstrated their commitment to both the intent and statutory requirements of the legislation. Finally, the Commission wishes to express its appreciation to the interested citizens of Manitoba who have taken the time to telephone, write or visit the office of the Commission.

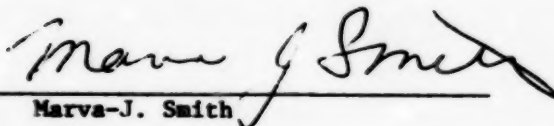
All of which is respectfully submitted and dated the 8th day of March
1984.



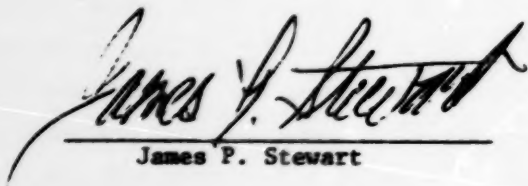
Walter L. Ritchie, Q.C.
Chairman



Emily C. Lyons



Marva-J. Smith



James P. Stewart



Richard T. Willis

X APPENDIX



APPENDIX A
SUMMARY OF
RETURNS FOR CONTRIBUTIONS BY POLITICAL PARTY*

<u>Political Party</u>	<u>Value of Contributions</u>			
	<u>Equal to or in Excess of \$250.00 (\$)</u>	<u>\$25.00 or More, but Less than \$250.00 (\$)</u>	<u>Less than \$25 (\$)</u>	<u>Total Contributions (\$)</u>
The Manitoba New Democratic Party	303,457.00	313,992.00	48,140.00	665,589.00
The Progressive Conservative Party of Manitoba	293,314.75	236,488.20	58,555.05	588,358.00
The Liberal Party in Manitoba	39,669.25	78,880.80	6,538.00	125,088.05
The Manitoba Progressive Party	3,245.05	1,041.25	55.00	4,341.30
The Communist Party of Canada, Manitoba Committee	4,850.00	340.00	1,453.07	6,643.07
The Western Canada Concept (Manitoba)	NIL	205.00	1,634.00	1,839.00

* Caution must be exercised when comparing the returns of political parties because of their use of different year ends. Refer to Table 4 of the Report.